

The CERACLAD Express Limited Transferable Warranty

1. WARRANTY COVERAGE:

KMEW USA, Inc. ("KMEW") warrants to the purchaser and to its transferees, including the original owner of the property upon which its Product (the KMEW CERAMIC COATING SIDING - the "Ceramic Product" or the KMEW CUSTOM COLOR SIDING - the "CREATIV™ Product", collectively, the "Product") is installed as external walls, and up to the first subsequent owner of the property (each a "Covered Person"- In the event of a multi-unit condominium, "Covered Person" shall mean the Condominium Association, Owners' Association, or similar governing body for the owner/residents of the structure) that when manufactured, the Product is free from defects in material and manufacture, and when used for its intended purpose and properly stored, installed and maintained per the CERACLAD installation manual, the Product shall be warranted as follows:

NOTE: All warranty periods discussed and defined herein shall be deemed to commence on the date of purchase of the Product by the party installing the Product or, as applicable, on the date of purchase of the Product by the property owner for third-party installation. This warranty is applicable only to installations occurring within the United States and Canada.

50 Year Limited Warranty: The Product shall: not incur structural cracking, rot or delaminate under normal wear, and shall resist damage caused by termites for a period of 50 years under normal use.

20 Year Limited Warranty: The Ceramic Product finish shall (A) retain its color and luster (meaning color fade shall not exceed color No.1 – 2 and E=9.6 in accordance with ISO 105-A02:1990, Test for color fastness - Part A02: Grey scale for assessing change in color) for color integrity, and shall not significantly (B) peel, (C) incur structural cracking, or (D) chip, for a period of 20 years under normal use.

15 Year Limited Warranty: The CREATIV™ Product finish shall not significantly (A) peel, (B) incur structural cracking, or (C) chip, for a period of 15 years under normal use.

2. WARRANTY DURATION:

This Limited Warranty will continue in favor of a Covered Person for the respective consecutive years provided above.

3. WARRANTY EXCLUSIONS:

This Warranty covers only the specific manufacturing defects described in Section 1 above. Notwithstanding anything herein to the contrary, failures attributable to any other reason including, but not limited to, those set forth below, are hereby specifically excluded from warranty coverage:

- A. improper storage, shipping, handling, or installation (please refer to CERACLAD installation manual and website);
- B. improper design and/or construction of the building/structure to which the Product is attached;
- C. lack of, or improper, maintenance and repair after installation (please refer to CERACLAD installation manual and website);
- D. any unauthorized alteration of the Product;
- E. attachment of non-authorized accessories to the Product (for a list of authorized accessories, please refer to CERACLAD installation manual and website);
- F. warping, cracking, settling, or other movement or condition of the building/structure to which the Product is attached;
- G. substrate failures which cause or contribute to any compromise or failure of the Product. This exclusion applies to both supporting and non-supporting substrates (including, but not limited to, glass mat gypsum substrate/gypsum, plywood/OSB sheathing, and structural framing/stud) used under or attached to the Product;
- H. acts of God including, but not limited to, lightning, hurricanes, tornados, floods, earthquakes, mudslides or any other severe weather or natural phenomena;
- I. unauthorized sealer or caulking;
- J. paint, or other coating or finish applied after purchase;
- K. mold, mildew, fungi, bacteria, or any organism that is allowed to grow on the surface of the Product;
- L. industrial pollution (including acid, alkali, sulfur, noxious gases);
- M. exposure to salt spray, heat sources;
- N. submersion or continuous exposure to moisture (spray, splash from ocean, lake, pond or river);
- O. exceeding maximum design wind load as specified in ICC ESR-1627;
- P. other unusual or unreasonable conditions in the surrounding physical environment; and
- Q. any other such similar or dissimilar occurrences beyond the control of KMEW.

NOTICE: DAMAGE CAUSED BY ANY PRODUCT INSTALLATION, REPAIR, OR REPLACEMENT THAT IS NOT IN ACCORDANCE WITH THE CERACLAD INSTALLATION MANUAL, AS WELL AS DAMAGE CAUSED BY PRODUCT INSTALLATION ON INAPPROPRIATE BUILDINGS/ STRUCTURES, IS HEREBY SPECIFICALLY EXCLUDED FROM WARRANTY COVERAGE. PLEASE REVIEW THE CERACLAD INSTALLATION MANUAL AND WEBSITE FOR THIS PRODUCT.

4. WARRANTY CONDITIONS:

KMEW's liability hereunder to the Covered Person shall also be subject to each of the following additional terms and conditions:

- A. The claimant must provide proof that he/she is a Covered Person;
- B. The CERACLAD installation manual for the proper storage, shipping, handling, installation and maintenance of the Product must have been followed at all times (failure to do so may affect Product performance and void the Warranty); and

C. UPON DISCOVERY OF A POSSIBLE COVERED PRODUCT DEFECT OR FAILURE, AND PRIOR TO MAKING ANY PERMANENT REPAIR TO THE PRODUCT, THE COVERED PERSON MUST, AT ITS OWN COST AND EXPENSE: (i) PROMPTLY PROVIDE FOR PROTECTION OF ALL PROPERTY THAT COULD BE FURTHER DAMAGED UNTIL SUCH TIME THAT THE POSSIBLE COVERED DEFECT OR FAILURE HAS BEEN REPAIRED; (ii) PROMPTLY, BUT IN NO EVENT LATER THAN THIRTY (30) DAYS AFTER DISCOVERY, PROVIDE WRITTEN NOTICE TO KMEW OF THE POSSIBLE COVERED PRODUCT DEFECT OR FAILURE (AS PROVIDED BELOW); AND (iii) ALLOW KMEW A REASONABLE PERIOD OF TIME (UP TO 25 BUSINESS DAYS AFTER NOTICE HAS BEEN RECEIVED BY KMEW) AS WELL AS PROVIDE REASONABLE ACCESS THROUGHOUT THE PROPERTY TO KMEW OR KMEW'S AGENT SO THEY CAN EXAMINE, PHOTOGRAPH AND/OR TAKE SAMPLES OF THE PRODUCT.

5. WARRANTY CLAIMS:

Claims under this Limited Warranty, must be promptly presented in writing to KMEW USA Inc., 15359 NE 90th St., Redmond, WA 98052, and must include:

- A. The address and location of the structure;
- B. Details (including photos) of the alleged defect or failure sufficient for KMEW to begin investigating the claim;
- C. Proof of owner or installer's date of purchase;
- D. The name of the owner, builder or installer; and
- E. Proof that you are a Covered Person (as defined in Section 1 above).

6. WARRANTY REMEDY:

If, after investigation, KMEW, in its sole discretion, determines that a warranted defect exists, KMEW shall do the following:

During the First Year After Purchase:

(Before Installation): Replace¹ the defective portion of the Product or reimburse Covered Person the Original Purchase Price² of the defective portion of the Product.

(After Installation): For CREATIV™ Product: Provide a quantity of coating sufficient to cover the defective portion, or reimburse the Covered Person up to \$1.00 per square foot for repair of the defective portion.

For Ceramic Product: Replace¹ the defective portion of the Product or reimburse the Covered Person for resulting losses up to the Original Purchase Price² of the defective portion of the Product.

Beyond the First Year After Purchase (whether or not installed):

For CREATIV™ Product: Reimburse the Covered Person up to \$1 per square foot for repair of the defective portion, reduced by 6.67% for each year from the original date of purchase, such that after the 15th year no warranty shall remain.

For Ceramic Product: Replace¹ the defective portion of the Product or reimburse the Covered Person up to the Original Purchase Price² of the defective portion of the Product, reduced by 5% for each year from the original date of purchase, such that after the 20th year no warranty shall remain.

For All Other Claims under the 50 year Warranty: Replace¹ the defective portion of the Product or reimburse the Covered Person up to the Original Purchase Price² of the defective portion of the Product, reduced by 2% for each year from the original date of purchase, such that after the 50th year no warranty shall remain.

REFUND OR PRODUCT REPLACEMENT BY KMEW SHALL BE AT KMEW'S SOLE DISCRETION AND SHALL BE THE SOLE AND EXCLUSIVE REMEDY WITH RESPECT TO ANY DEFECT; AND ACCEPTANCE BY ANY COVERED PERSON SHALL CONSTITUTE A FULL SETTLEMENT AND RELEASE OF ALL CLAIMS FOR DAMAGES OR OTHER RELIEF. FOR CLAIMS INVOLVING BOTH COLOR AND OTHER DEFECTS, THE HIGHER REIMBURSEMENT RATE SHALL PREVAIL. KMEW WILL NOT REFUND OR PAY ANY COSTS IN CONNECTION WITH LABOR OR ACCESSORY MATERIALS.

¹ KMEW reserves the right to modify or to discontinue any of its products without notice and shall not be liable as a result of such modification or discontinuation. In such event, a suitable replacement product will be determined by KMEW in its sole and reasonable discretion.

² If the Original Purchase Price cannot be established by the Covered Person, it shall be determined by KMEW in its sole and reasonable discretion.

7. WARRANTY DISCLAIMER:

The statements herein constitute the only warranty extended by KMEW for the Product. KMEW DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, EXCEPT WHERE PRODUCT PURCHASE IS SUBJECT TO CONSUMER PRODUCT WARRANTY LAW, OR BY USAGE OF TRADE OR COURSE OF DEALING IN WHICH INSTANCES THE DURATION OF ANY APPLICABLE WARRANTIES ARE LIMITED TO THE FIRST ELAPSE OF THE WARRANTY PERIOD PROVIDED ABOVE, OR SUCH SHORTER PERIOD AS APPLICABLE LAW PERMITS OR REQUIRES. Some states do not allow limitations on how long an implied warranty lasts, so the above limitation may not apply to you. IN NO EVENT WILL KMEW HAVE ANY LIABILITY FOR ANY INCIDENTAL, SPECIAL, INDIRECT, CONSEQUENTIAL OR OTHER DAMAGES (WHETHER RESULTING FROM NONDELIVERY OR FROM THE USE, MISUSE, OR INABILITY TO USE THE PRODUCT OR FROM DEFECTS IN THE PRODUCT). Some states do not allow the exclusion or limitation of incidental or consequential damages, so the above limitation may not apply to you. NO OTHER WARRANTY WILL BE MADE BY THE MANUFACTURER OR THE SELLER OR BY OPERATION OF LAW OR BY USAGE OF TRADE OR COURSE OF DEALING WITH RESPECT TO THE PRODUCT OR ITS INSTALLATION, STORAGE, HANDLING, MAINTENANCE, USE, REPLACEMENT OR REPAIR. This Warranty gives you specific legal rights and you may also have other rights which vary from state to state.

8. DISPUTE RESOLUTION

Any dispute arising under this Warranty shall be resolved by arbitration conducted in King County State of Washington, United States of America pursuant to the then current rules of the American Arbitration Association, applying the laws of the State of Washington without regard to its internal conflicts of laws provisions. The award of the arbitrator shall be final and binding. Each party shall be responsible for its own legal fees and costs, as well as its equal share of any arbitrators' fees.

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